

Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 02084 01 OF 02 032009Z

ACTION ARA-14

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01

INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15

USIA-06 AID-05 COME-00 EB-08 FRB-03 TRSE-00

XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 CU-04 MCT-01

SY-05 INT-05 DOE-11 SOE-02 AGRE-00 STR-07 CEA-01

A-01 OPR-02 OC-06 CCO-00 DLOS-09 OES-07 IO-13

HA-05 /181 W

-----107584 032101Z /42

R 031623Z MAR 78

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 1425

INFO AMCONSUL CURACAO

AMEMBASSY THE HAGUE

USCINCLANT NORFOLK VA

USCINCSO QUARRY HEIGHTS

LIMITED OFFICIAL USE SECTION 1 OF 2 CARACAS 2084

E.O. 11652: NA

TAGS: ASEC, PINS, PBOR, PEPR, ENRG, SHUM, NA, NL,VE

SUBJECT: THIS WEEK IN VENEZUELA

REF: (A) CARACAS 1819, (B) CARACAS 1639, (C) CARACAS 2058,
(D) CARACAS 1820 (E) CARACAS 1853

SUMMARY: SUBSTANTIAL IMPROVEMENTS REPORTED IN OIL SALES.
STUDENT DISTURBANCES SUBSIDE. PRESS ATTENTION RETURNS TO
NIEHOUS KIDNAPPING CASE. PRESIDENT PEREZ PROMISES TO ERADICATE
GUERRILLAS. JOVITO VILLALBA CRITICIZES VENEZUELAN DEMOCRACY. PEREZ
TO TRAVEL TO CURACAO FOR SIGNING OF MARITIME BOUNDARY ACCORD.
FOREIGN MINISTER EXPRESSES HOPE THAT VISIT OF PRESIDENT CARTER
WILL LEAD TO AMENDMENT OF VENEZUELA'S EXCLUSION FROM GSP. END SUMMARY

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CARACA 02084 01 OF 02 032009Z

1. SUBSTANTIAL IMPROVEMENT REPORTED IN OIL SALES.
SOME RECENT REPORTS INDICATE THAT EXPORTS OF RESIDUAL FUEL
OIL MAY HAVE PICKED UP SUBSTANTIALY IN RECENT WEEKS DUE TO INCREASED
DEMAND IN THE US AND MORE COMPETITIVE VENEZUELAN PRICES (REF C).
THIS CONTRASTS WITH THE BLEAK OUTLOOK REPORTED ONLY LAST WEEK.
PRODUCTION REMAINS LOW, HOWEVER, AT ABOUT 1.7 MILLION BARRELS PER
DAY, WITH THE ADDITIONAL EXPORTS REPORTEDLY BEING DRAWN FROM THE

EXCESS INVENTORIES BUILD UP AT THE END OF 1977. PUBLIC CONCERN REMAINS HIGH, AND THE GOV MAY STILL ACT TO REDUCE GOVERNMENT SPENDING AND LIMIT IMPORTS.

2. STUDENT DISTURBANCES SUBSIDE.

OVER THE WEEKEND, STUDENT DEMONSTRATIONS IN CARACAS AND OTHER CITIES SUBSIDED AND BY MONDAY MOST SCHOOLS HAD RETURNED TO NORMAL. DURING LAST WEEK'S DISTURBANCES (REFS A AND B), POLICE ARRESTED MORE THAN 150 SECONDARY SCHOOL STUDENTS, BUT DETAINED THEM ONLY BRIEFLY. THE LOCAL ACCION DEMOCRATICA PARTY ORGANIZATION SECRETARY OF SAN FELIPE WAS ALSO INDICTED MARCH 1 FOR THE SHOOTING OF A STUDENT, WHOSE DEATH ON FEBRUARY 14 SET OFF NEARLY TWO WEEKS OF STUDENT DEMONSTRATIONS. SOME SCATTERED STUDENT ACTIVITY PERSISTED THIS WEEK WITH STUDENT PROTESTS REPORTED ON FEBRUARY 27. ON MARCH 2, THE MINISTRY OF EDUCATION ORDERED EIGHT SCHOOLS CLOSED, MAINLY IN LOW INCOME SLUM AREAS, BECAUSE OF STUDENT UNRULINESS

WHICH PARALYZED NORMAL CLASSWORK. ON THE UNIVERSITY FRONT, SECONDARY SCHOOL GRADUATES HELD THE RECTOR OF THE CENTRAL UNIVERSITY OF CARACAS A VIRTUAL PRISONER IN HIS OFFICE FOR FOURTEEN HOURS, DEMANDING A SOLUTION TO THE PROBLEM OF LIMITED ENROLLMENT-- A PROBLEM BROUGHT ON BY THE FACT THERE IS NO ROOM IN VENEZUELAN UNIVERSITIES FOR INCREASING NUMBERS OF SECONDARY SCHOOL GRADUATES. AFTER HARANGUING THE RECTOR AND SEVERAL ADMINISTRATORS, THE STUDENTS ALLOWED THEM TO LEAVE JUST BEFORE MIDNIGHT AMID JEERS AND CHANTS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CARACA 02084 01 OF 02 032009Z

3. COMMENT: ALTHOUGH THE VIOLENCE AND VANDALISM WHICH ACCOMPANIED THE STUDENT DEMONSTRATIONS HAVE BEEN BROUGHT UNDER CONTROL SCATTERED AND SMALL SCALE DISTURBANCES CONTINUE TO DISRUPT SOME SCHOOLS, MAINLY THOSE IN SLUM AREAS. THE GOV HAS STUCK

BY ITS ASSERTION THAT LEFTIST PROVOCATEURS ARE THE CHIEF CULPRITS. IN PARTICULAR, INTERIOR MINISTER LEPAGE HAS PUBLICLY ARGUED THAT LAST WEEK'S DISTURBANCES WERE A RESULT OF AN OVERALL PLAN OF DISRUPTION ORGANIZED BY LEFTIST EXTREMISTS. WHILE LEFTISTS HAVE CONTRIBUTED TO THE VIOLENCE AND DISTURBANCES, A MAJOR CAUSE, FOR FRUSTRATED AND VOLATILE STUDENTS, REMAINS THE OVERTAXED EDUCATION SYSTEM IN VENEZUELA. END COMMENT.

4. PRESS ATTENTION RETURNS TO NIEGHOUSE KIDNAP CASE.

DURING THE WEEK OF FEBRUARY 26, MAJOR CARACAS DAILIES RAN STORIES ON THE CASE OF WILLIAM NIEHOUS, THE AMERICAN BUSINESSMAN WHO WAS KIDNAPPED FROM HIS CARACAS HOME TWO YEARS AGO ON FEBRUARY 27, 1976. ARTICLES REVIEWED THE CASE, BUT ADDED NO NEW INFORMATION OR SPECULATION. THE ONLY COMMENT ON THE CASE FROM GOV WAS THE STATEMENT

BY INTERIOR MINISTER LEPAGE THAT "NEARLY ALL THOSE IMPLICATED IN THE CASE" ARE UNDER ARREST. THE EMBASSY UNDERSTANDS MRS. NIEHOUS

WAS INTERVIEWED IN THE US FOR THE TV PROGRAM "60 MINUTES".

5. PRESIDENT PEREZ LASHES OUT AT GUERRILLAS.
DURING A SPEECH IN GUATIRE, FORMER PRESIDENT BETANCOURT'S
HOME TOWN, COMMEMORATING THE 50TH ANNIVERSARY OF BETANCOURT'S
INVOLVEMENT IN POLITICS, PRESIDENT PEREZ PROMISED THAT HE WOULD
TURN OVER TO HIS PRESIDENTIAL SUCCESSOR A PACIFIC COUNTRY. PEREZ
WARNED THAT SOME FEW PERSONS WHO REMAIN DEDICATED TO SUBVERSIVE
VIOLENCE "WILL END EITHER AS PRISONERS OR UNFORTUNATELY DEAD IN
CLASHES WITH THE ARMED FORCES."

6. COMMENT: PEREZ' REFERENCE WAS BRIEF, BUT POINTED UP
ONCE AGAIN THE PRESSURES ON CAP TO END THE INSURGENCY,
OR AT LEAST MAKE SOME HEADWAY AGAINST IT. (REF D). IT IS NOT THE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 CARACA 02084 01 OF 02 032009Z

FIRST TIME PEREZ HAS PROMISED A FAVORABLY CONCLUSION, NOR IS IT UNIQUE
IN VENEZUELAN POLITICAL HISTORY. CALDERA ALSO MADE THE SAME
PROMISE BEFORE HE LEFT OFFICE.

7. PRESIDENT PEREZ TO TRAVEL TO CURACAO FOR SINGING OF
MARINE ACCORD WITH NETHERLANDS ANTILLES.
PRESIDENT CARLOS ANDRES PEREZ WILL TRAVEL TO CURACAO AFTER
PRESIDENT CARTERS VISIT TO VENEZUELA MARCH 28-29 TO ATTENDING
SIGNING CEREMONY FOR THE RECENTLY CONCLUDED (REF A) MARITIME
BOUNDARY ACCORD CONCLUDED WITH THE NETHERLANDS ANTILLES.
FOREIGN MINISTRY EARLIER HAD ANNOUNCED THAT SIGNING OF ACCORD
WOULD TAKE PLACE IN EARLY MARCH.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 CARACA 02084 02 OF 02 032005Z
ACTION ARA-14

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-08 FRB-03 TRSE-00
XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 CU-04 MCT-01
SY-05 INT-05 DOE-11 SOE-02 AGRE-00 STR-07 CEA-01
A-01 OPR-02 OC-06 CCO-00 OES-07 DLOS-09 IO-13
HA-05 /181 W

-----107473 032125Z /62

R 031623Z MAR 78
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 1426
INFO AMCONSUL CURACAO
AMEMBASSY THE HAGUE
USCINCLANT NORFOLK VA
USCINCSO QUARRY HEIGHTS

LIMITED OFFICIAL USE SECTION 2 OF 2 CARACAS 2084

8. JOVITO VILLALBA, THE SILVER-TONGUED SISYPHUS, SPEAKS
OF DEMOCRACY.

ON MARCH 1, DURING A SPECIAL SESSION OF THE CARACAS MUNICIPAL
COUNCIL CALLED TO CELEBRATE THE GENERATION OF 1928 (THE
STUDENTS WHO FIRST PROTESTED THE GOMEZ DICTATORSHIP AND
WHO ARE CONSIDERED THE FOREBEARERS OF MODERN VENEZUELAN
POLITICAL DEMOCRACY), JOVITO VILLALBA ROUNDLY CRITICIZED
WHAT HE SAID ARE REMNANTS OF "GOMEZISMO" (STYLE OF
GOVERNANCE REMINISCENT OF THE DICTATOR GOMEZ) IN CON-
TEMPORARY VENEZUELA. HE SAID THAT POSER HAS BECOME OVERLY
CENTRALIZED IN THE HANDS OF PRESIDENT PEREZ, AND THAT THE
EXECUTIVE BRANCH, WITH THE PRESIDENT OPERATING AS A
NATIONAL MAYOR, WAS INVOLVED IN MINOR DETAILS BETTER LEFT
TO OTHERS. NEITHER CONGRESS NOR THE COURTS HAVE CO-EQUAL
STATUS WITH THE PRESIDENCY, SAID VILLALBA. THUS, VILLALBA
SAID THAT THE WATERGATE ARRESTS, IMPRISONMENT AND RESIGNATION
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CARACA 02084 02 OF 02 032005Z

OF A PRESIDENT ARE IMPOSSIBLE IN VENEZUELA GIVEN THE
EXECUTIVE'S POWER. HE ADDED THAT "MOST VENEZUELAN
MINISTERS ARE HONEST, BUT THERE HAVE BEEN AND ARE SOME WHO
ARE EMBEZZLERS AND THIEVES." HE PAID ONLY FAINT PRAISE
TO ROMULO BETANCOURT, AND ENDED BY NOTING THAT VENEZUELA
AND THE U.S. HAVE DIFFERENT INTERESTS. IN FOREIGN
POLICY, HE SAID, GRAVE ANGER WILL HANG OVER VENEZUELA
WHEN ITS OIL IS EXHAUSTED AND ITS FOREIGN DEBT DOUBLED.
"WHEN THAT HAPPENS, THE WORKS OF BOLIVAR WILL PERHAPS
BE IN DANGER."

9. COMMENT: VILLALBA, PERHAPS THE MOST IMPORTANT
STUDENT LEADER OF THE GENERATION OF 1928, IS NOW THE
HEAD OF THE NEAR-DEFUNCT URD PARTY (SEE CARACAS 1853). HE AND
ROMULO BETANCOURT ARE CONSIDERED THE TWO VENEZUELAN
OF THE MODERN ERA WITH THE GREATEST GIFTS FOR POLITICAL
ORATORY AND SOME BELIEVE THAT VILLALBA IN HIS PRIME
EVEN SURPASSED BETANCOURT'S FORENSIC TALENTS. IT IS
WIDELY BELIEVED VILLALBA HATES BETANCOURT AND HIS FAINT
PRAISE OF BETANCOURT WAS TYPICAL. VILLALBA, ETERNALLY A

PRESIDENTIAL CANDIDATE AND ETERNALLY FRUSTRATED, ACTUALLY WON THE 1952 PRESIDENTIAL ELECTIONS STAGED BY PEREZ JIMENEZ. THE DIMINUTIVE DICTATOR THEN RANG DOWN THE CURTAIN ON HIS CYNICAL CHARADE, THUS DEPRIVING JOVITO OF HIS ONLY CHANCE IN THE SUN. EVER SINCE, JOVITO HAS LUSTED FOR POWER (OR EVEN A PORTION OF IT) WITH A DESPERATION THAT HAS MEDE HIM OPPORTUNISITC. WHILE HIS PARTY HAS LITTLE POLITICAL MUSCLE, IS DEBILITATED BY FISSIONS, AND WHAT SOME CONSIDER EXCESSIVE OPPORTUNISM ON THE PART OF VILLALBA, HIS CRITIQUE OF CENTRALIZED POWER AND CORRUPTION IN VENEZUELA WAS FORCEFULLY MADE, RECIEVED NATIONAL ATTENTION, AND WAS QUITE TO THE POINT.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CARACA 02084 02 OF 02 032005Z

10. FOREIGN MINISTER EXPRESSED HOPE PRESIDENT CARTER'S VISIT WILL LEAD TO AMENDMENT OF GSP EXCLUSION OF VENEZUELA IN 1974 TRADE ACT. IN RESPONSE TO PRESS QUERIES IF PRESIDENT PEREZ WOULD INSIST THAT VENEZUELA'S EXLCUSION FROM GSP BE INCLUDED IN AGENDA FOR PRESIDENT CARTER'S VISIT, FONMIN CONSALVI REPLIED THAT THE GOV HAS GRACIOUSLY (ELEGANTEMENTE) REFRAINED FROM INISITING THAT THE ISSUE BE INCLUDED ON AGENDA. HOWEVER, HE NOTED THAT THE USG "HAS PROMISED A NUMBER OF TIMES" THAT THIS ISSUE WOJLD BE RECTIFIED "ALTHOUGH UNTIL NOW IT STILL HAS NOT." WE HOPE THEY DO IT ON THIS OCCASION."

11. COMMENT: DESPITE PRIDE AND EXPECTATIONS OVER THE PROSPECT OF A PRESIDENTIAL VISIT TO VENEZUELA, FONMIN CONSALVI'S BARB POINTS OUT VENEZUELA'S CONTINUED SENSITIVITY OVER ITS EXCLUSION FROM GSP.

12. OTHER REPORTING THIS WEEK INCLUDED AN UPDATE ON INSURGENCY IN VENEZUELA (CARACAS 1820), STATUS REPORT ON 1978 PRESIDENTIAL COMAPIGN (CARACAS 1853), VISIT BY PTTI SECRETARY GENERAL (CARACAS 1925), AIFLD PROGRAM PROPOSALS 1978-79 (CARACAS 1969), CARITIME BOUNDARY AGREEMENT (CARACAS 2009 AND 2013), OIL COMPANY PROBLEMS (CARACAS 2008), PETROLEOS DE CARACAS-OPERATIONS AND PLANS (CARACAS 2001), PROPOSED MULTILATERAL CONSULTATION ON ANDEAN PACT TECHNOLOGY CENTERS (CARACAS 1984), CAMPAING UPDATE: ACCION DEMOCRATICA AND THE CANDIDANCY OF LUIS PINERUA ORDAZ (CARACAS A-17) CAMPAIGN UPDATE: SOCIAL CHRISITIANS (CARACAS A14), CAMPAIGN UPDATE: THE LEFTIST PARTIES (CARACAS A19), BILATERAL ENERGY TALKS: SCHLESINGER-HERNANDEZ (CARACAS 1928), MAJOR PROJECT -PUERTO LA CRUZ OLEFIN PLANT (CARACAS 1899), ENERGY TECHNOLOGY COOPERATION WITH VENEZUELA (CARACAS 1913), PORT CONDITIONS (CARACAS 1936), CIVAIR, BILATERAL TALKS (CARACAS 1970), SUBSTANTIAL

IMPROVEMENT REPORTED IN OIL SALES (CARACAS 2058).

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 CARACA 02084 02 OF 02 032005Z

CROWLEY

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, KIDNAPPING, TERRITORIAL WATERS, STUDENT DEMONSTRATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978CARACA02084
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780098-0372
Format: TEL
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197803111/aaaadqhh.tel
Line Count: 286
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 18bbbab9-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 CARACAS 1819, 78 CARACAS 1639, 78 CARACAS 2058, 78 CARACAS 1820, 78 CARACAS 1853
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3132689
Secure: OPEN
Status: NATIVE
Subject: THIS WEEK IN VENEZUELA
TAGS: ASEC, PINS, PBOR, PEPR, ENRG, SHUM, PLOS, VE
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/18bbbab9-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014